

Quarterly Activity Report and Appendix 4C 31 March 2020

Principal Activities

Corum Group Limited (ASX:COO) is a technology and software development company. The key business activities relate to Corum Health which develops and distributes business software for the pharmacy industry with emphasis on point-of-sale and pharmaceutical dispensing software, multi-site retail management, support services and computer hardware. Corum eCommerce operates a payment gateway primarily for the real estate and pharmacy sectors.

Key Activities during the March 2020 Quarter

PharmX investment

PharmX Pty Ltd is the pre-eminent electronic gateway that links pharmacies, pharmaceutical wholesalers and direct suppliers within the pharmacy market. During the quarter Corum invested \$785,000 in PharmX to increase its stake in the business to 43%. The opportunity to invest in the tightly held entity arose when Fred IT's units were put up for sale following the preliminary ruling from court proceedings undertaken by Fred IT against PharmX. Corum views this to be a long-term investment in this important piece of community pharmacy infrastructure.

With some matters between Fred IT and PharmX still before the courts, the unpaid revenue from PharmX remains outstanding.

Software investment

Corum continued to invest \$810,000 on software capital development in the quarter.

The focus for Corum Clear Dispense was the deployment of a major upgrade to the software, applying lessons learned over the past six months from the broadened customer base, following its launch in the market in February 2019. The upgrade has significantly improved performance and introduced a raft of new features and integration capabilities.

Enterprise activity has been increasing with renewed interest in the readiness and reliability of the RPM head office solution from large and medium sized groups. This is a precursor to Corum Clear Enterprise, the real-time multi-store management cloud platform being jointly developed.

Electronic prescribing has been given a boost with the increased demand for digital health and additional support from governments. Corum has been deeply involved in this process and during the quarter, continued development on its core dispense systems readying them for token-based electronic scripts in June.

Covid-19 and cost management

Covid-19 had little impact until the end of the quarter, by which time most pharmacies had become very busy. Corum has taken a prudent view given the potential economic impact and implemented a cost saving program during the quarter that will result in savings which include approximately \$1.5 million per annum of wage costs. The fourth quarter of the year will contain payments associated with these changes.

Payments to related parties of the entity and their associates

During the quarter, \$30,000 was paid to a related party of a former director for consulting in relation to the 2019 capital raising, and \$257,000 was paid in fees and salaries to Directors, Key Management Personnel and their related entities.

This Quarterly Activity Report has been authorised for release by the Board of Corum Group Limited. The Quarterly Appendix 4C to which this Activity Report relates, was released to the market on April 30, 2020.

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